

An aerial photograph of a coastal city, likely Miami, showing a large body of water (Biscayne Bay) with several islands and peninsulas. The water is a deep blue, and the sky is a clear, bright blue with a few wispy clouds. On the left, there's a small island with palm trees and some buildings. In the center, a larger peninsula is visible. On the right, a tall, modern building with a red roof stands out among other urban structures. The overall scene is a vibrant, sunny day in a tropical or subtropical setting.

Workforce Housing Implementation Strategy 2005-2020

Prepared By
Strategic Planning Group, Inc.

A background image showing two people, a woman in a dark top and a man in a white shirt, surrounded by numerous cardboard boxes. They appear to be in the process of moving or organizing items, with some boxes open and others closed. The scene is brightly lit, suggesting an indoor setting like a warehouse or a moving company's office.

Scope of Discussion

- ***Definition of Affordable and Workforce Housing***
- ***Workforce Housing – Supply Issues***
- ***Workforce Housing – Demand Issues***
- ***The GAP***
- ***Tools to Help***

A background image showing two people, a man and a woman, in a room filled with cardboard boxes. The man is in the foreground, wearing a white shirt, and is placing a white bowl into a box. The woman is behind him, also wearing a white shirt, and is looking down at a box. The room is filled with various sized cardboard boxes, some open and some closed, suggesting a moving or unpacking process.

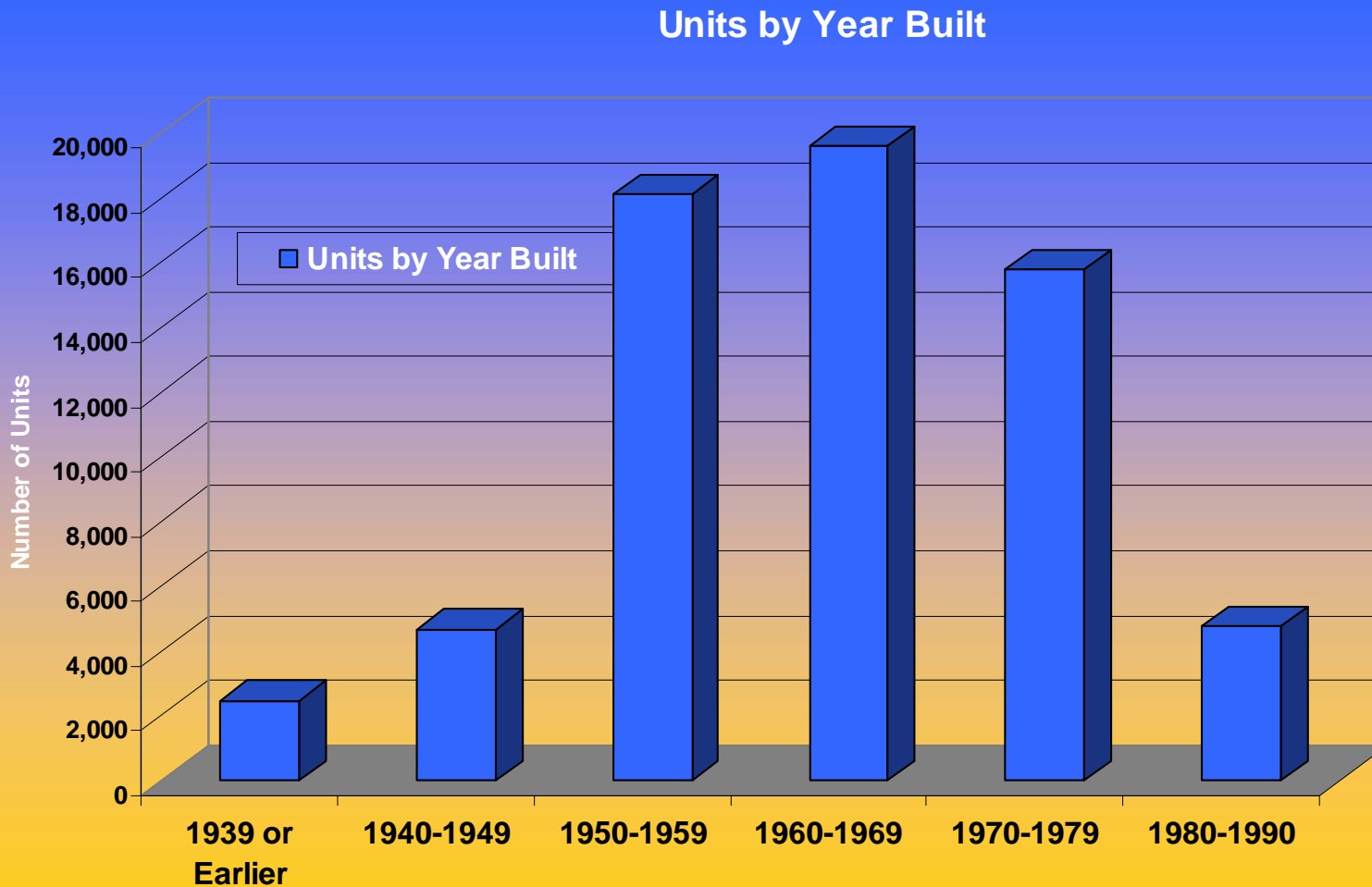
The Two Sides to Housing

- ***Ability to Pay (Demand)***
 - ***Income of household***
 - ***Credit Rating***
 - ***Amount of Down-payment***
 - ***Prevailing Interest Rates***
 - ***Property and Utility Taxes/Costs***
- ***Cost of Housing (Supply)***
 - ***Land***
 - ***Cost Per Square of Building***
 - ***Building Code***
 - ***Materials***
 - ***Grade of Finishing***
 - ***Development Costs***
 - ***Impact Fees***
 - ***Permits***
 - ***Size of Unit***

Definitions

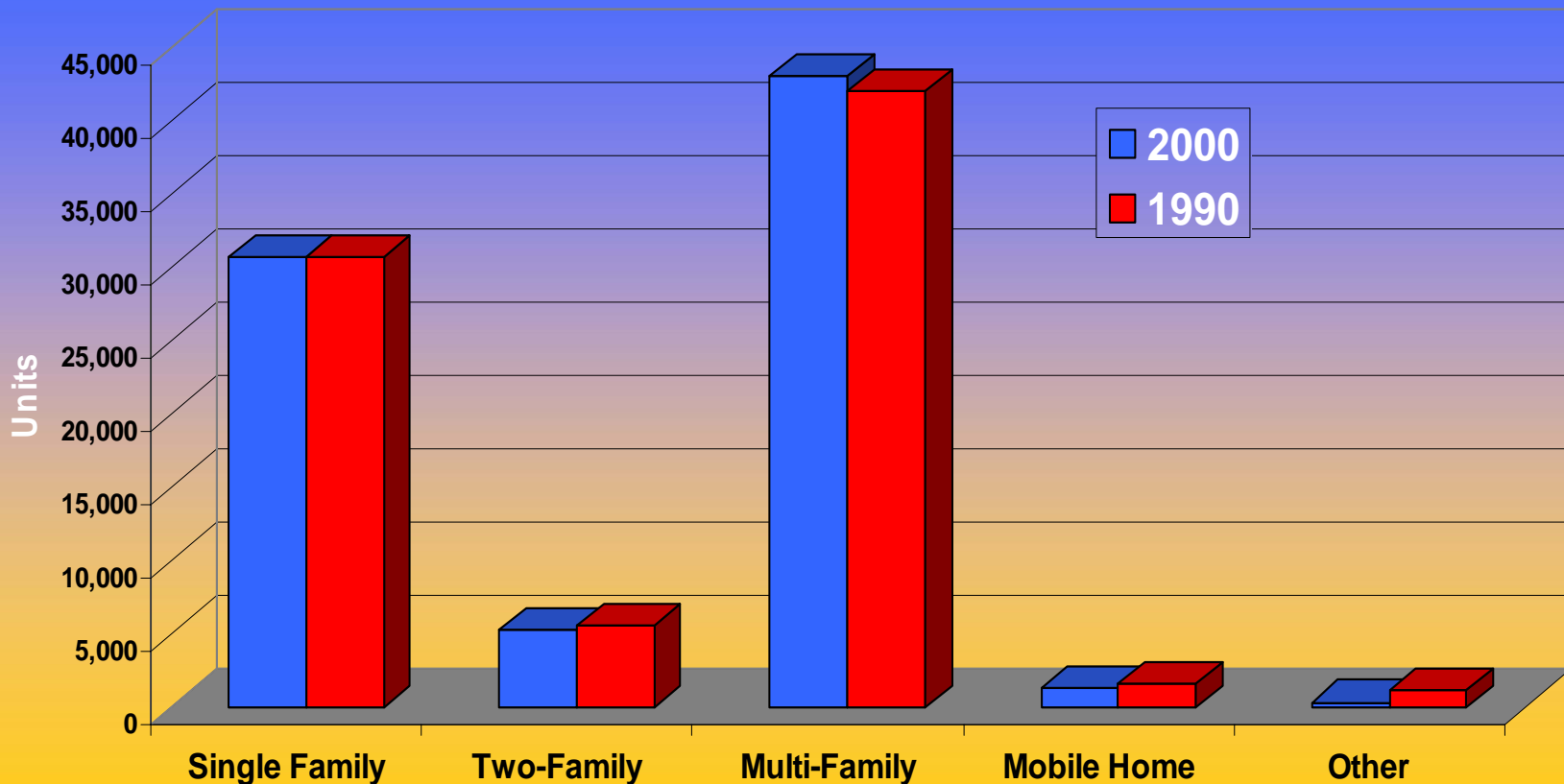
- **Affordable Housing** is usually defined as the housing needs of households whose median income is less than 80% of the area's median income and spend no more than 30% of their income on cost (cost burden). **Increasingly, cost burden is being raised to 40%** (Florida Housing Finance Corporation)
- **Workforce Housing** is usually defined as the housing needs of households whose median income is between 80% and 120% of the area's median income (AMI) and spend no more than 30% (40%) of their income on cost costs (cost burden). **Some communities are now using 140%.**

Ft. Lauderdale Housing Data - 2000 Census



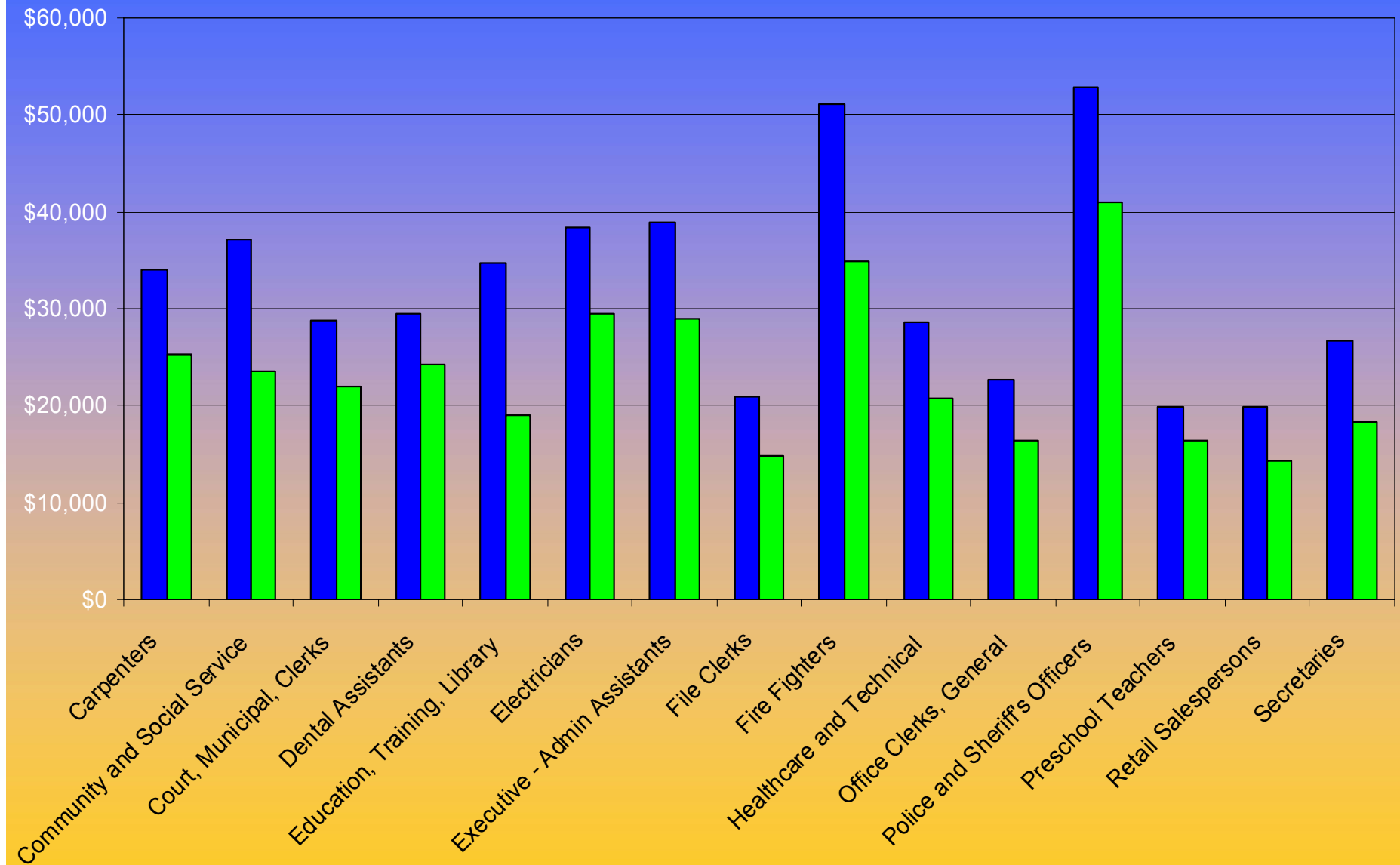
Housing Data - 2000 Census

Ft. Lauderdale Historic Housing 1990 - 2000



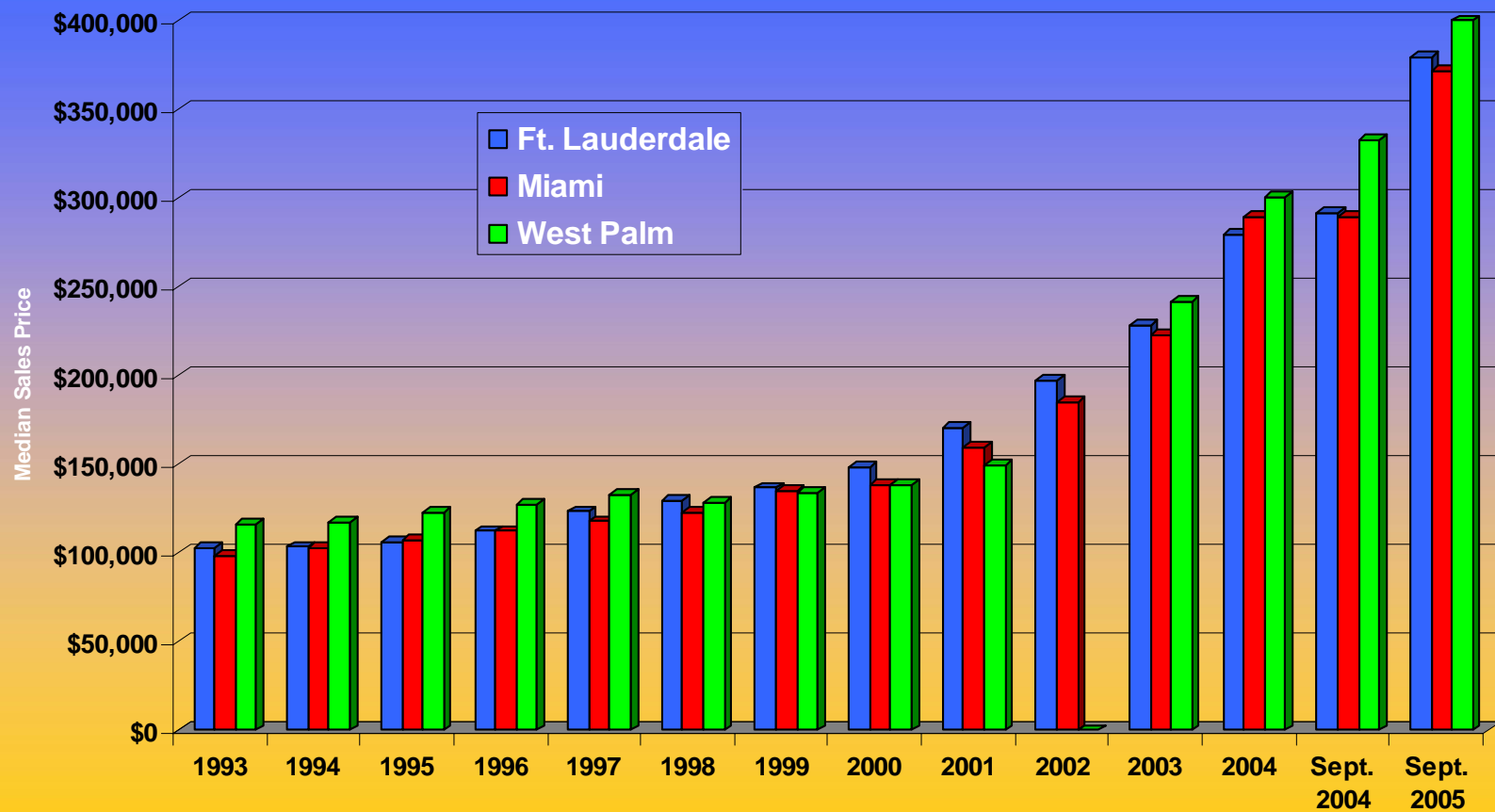
Selected Broward County Occupational Wages

■ Median Wage ■ Entry Wage

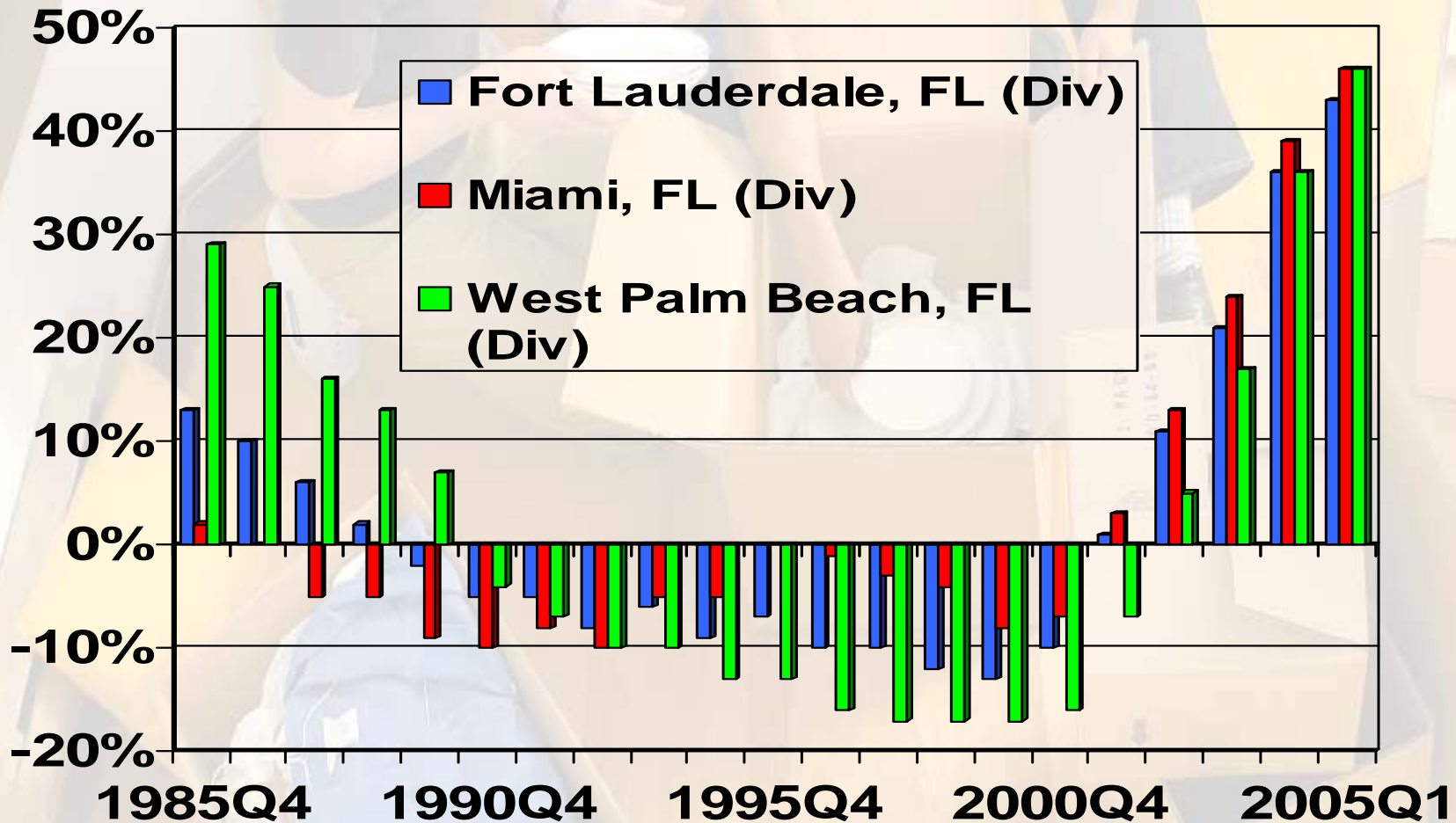


MLS Sales - Historic

Median Sales Price - MLS



Quarterly Change in Sales Prices



Deeds July – Sept 2005

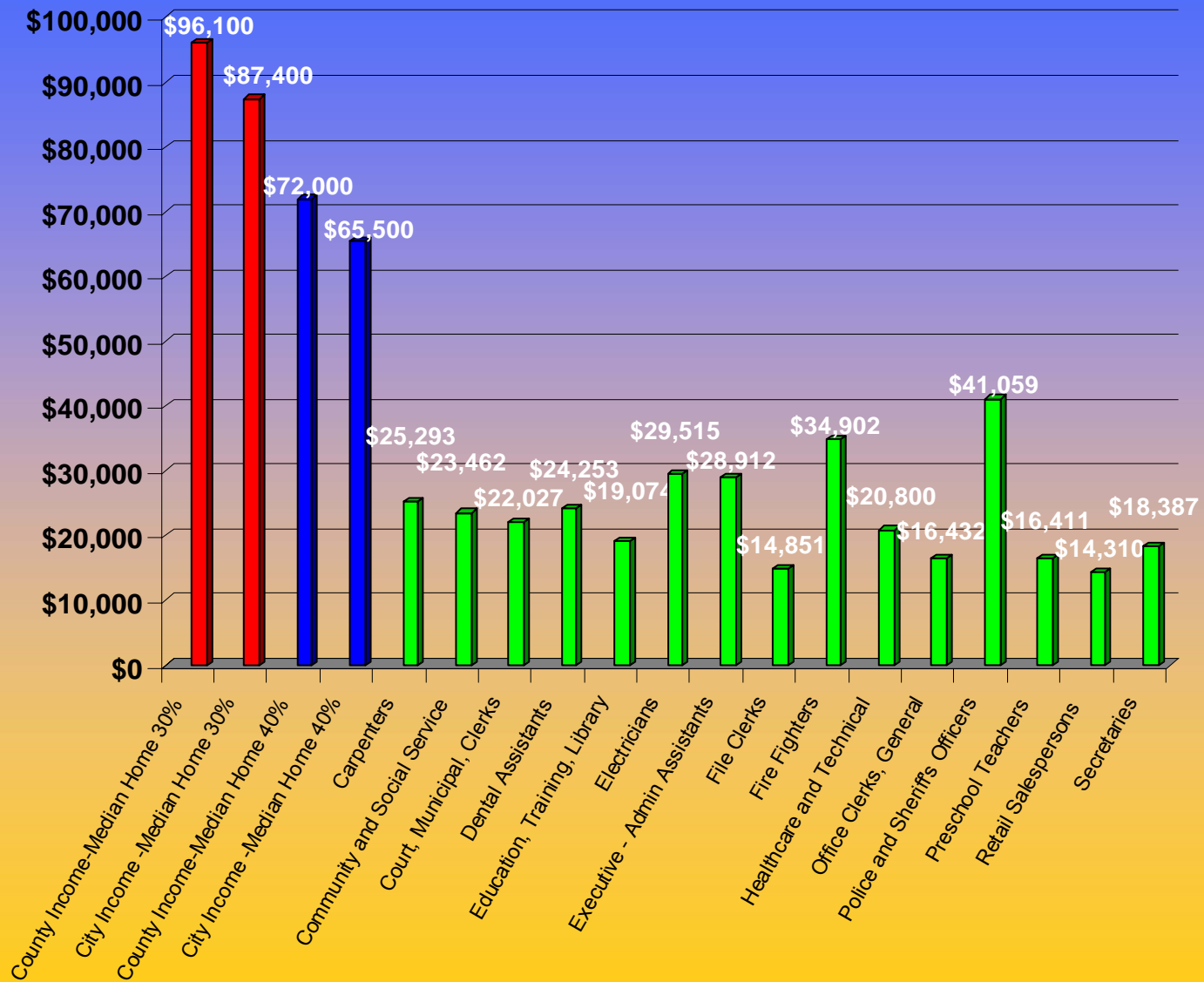
Situs		Bldg/Li					Baths						Improve	Total
Direction/Street/Suffi	Land	Gross	ving	Bedroo	Baths	Baths	(Half	Price per	Recording	Assessm	Land	ment	Total Value	Total Value
x	Use	Area	Area	ms	(Total)	(Full))	Sale Price	Square Foot	Date	Sale Date	ent Year	Value	(Taxable)
Nw 22nd Ave	Sfr	1488	1040	2				\$56,700	\$54.52	8/16/2005	6/10/2005	2005	41440	\$66,740
Sw 38th Ave	Sfr	1908	1492					\$60,000	\$40.21	9/16/2005	9/1/2005	2005	122690	\$180,040
Sw 26th Ter	Sfr	1843	1843	3	2	2		\$61,200	\$33.21	8/9/2005	6/13/2005	2005	101960	\$168,400
Nw 15th Ct	Sfr	882	693	2				\$65,000	\$93.80	7/8/2005	5/11/2005	2005	57700	\$76,970
Marathon Ln	Sfr	2096	1766					\$78,600	\$44.51	7/26/2005	6/24/2005	2005	285270	\$353,720
Nw 10th Ave	Sfr	789	720					\$80,000	\$111.11	7/1/2005	6/22/2005	2005	55900	\$76,130
Nw 11th Ct	Sfr	1901	928	2				\$80,000	\$86.21	9/16/2005	9/16/2005	2005	61890	\$102,020
Sw 30th Ter	Sfr	2188	1848					\$85,000	\$46.00	8/19/2005	7/15/2005	2005	69000	\$138,180
Nw 3rd Ct	Sfr	968	840	2	1	1		\$90,000	\$107.14	7/22/2005	7/15/2005	2005	62700	\$93,220
Nw 9th Ct	Sfr	904	632					\$95,000	\$150.32	7/27/2005	7/14/2005	2005	51830	\$82,190
Nw 11th Ct	Sfr	1456	1384	2	1	1		\$105,000	\$75.87	7/13/2005	6/30/2005	2005	52510	\$137,570
Nw 14th Way	Sfr	1077	884	2	1	1		\$105,000	\$118.78	7/26/2005	7/18/2005	2005	52540	\$78,130
Nw 7th St	Sfr	856	744	2				\$110,000	\$147.85	8/31/2005	8/8/2005	2005	29870	\$53,070
Nw 14th Ct	Sfr	703	679	2				\$110,000	\$162.00	8/30/2005	8/22/2005	2005	55560	\$86,660
Nw 21st Ave	Sfr	845	720	2				\$110,000	\$152.78	8/22/2005	8/18/2005	2005	50560	\$91,950
Sw 25th Ave	Sfr	1228	832		1	1		\$114,300	\$137.38	9/14/2005	3/9/2005	2005	70500	\$88,230
Nw 11th Ct	Sfr	1357	992	2				\$115,000	\$115.93	8/22/2005	9/30/2004	2005	61890	\$121,270
Nw 13th St	Sfr	734	660	2				\$117,000	\$177.27	9/7/2005	8/25/2005	2005	48050	\$68,000
Lauderdale Manor Dr	Sfr	648	572	2				\$120,000	\$209.79	8/1/2005	7/21/2005	2005	62350	\$81,370
Nw 10th Pl	Sfr	620	576	2				\$125,000	\$217.01	7/27/2005	7/14/2005	2005	65130	\$87,620
Nw 12th Ave	Sfr	1284	1284	2	1	1		\$125,000	\$97.35	7/14/2005	5/25/2005	2005	36990	\$104,820
Nw 17th Ave	Sfr	968	836		1	1		\$125,000	\$149.52	8/9/2005	7/26/2005	2005	40840	\$52,990
Nw 21st Ter	Sfr	981	876	2	1	1		\$125,000	\$142.69	8/4/2005	7/27/2005	2005	41440	\$74,470
Nw 7th Ct	Sfr	877	625					\$127,000	\$203.20	8/10/2005	7/18/2005	2005	35310	\$50,920
Nw 6th Ct	Sfr	927	720	2				\$129,500	\$179.86	7/1/2005	6/20/2005	2005	35620	\$58,190
Nw 4th Ave	Sfr	1190	990					\$130,000	\$131.31	7/28/2005	7/25/2005	2005	86650	\$119,350
Sw 8th St	Sfr	1658	1658	3	2	2		\$130,000	\$78.41	7/12/2005	6/28/2005	2005	60850	\$121,150
Nw 29th Way	Sfr	1604	1374	4	2	2		\$131,000	\$95.34	8/18/2005	8/9/2005	2005	31450	\$134,840

Deed Summary

July – September 2005

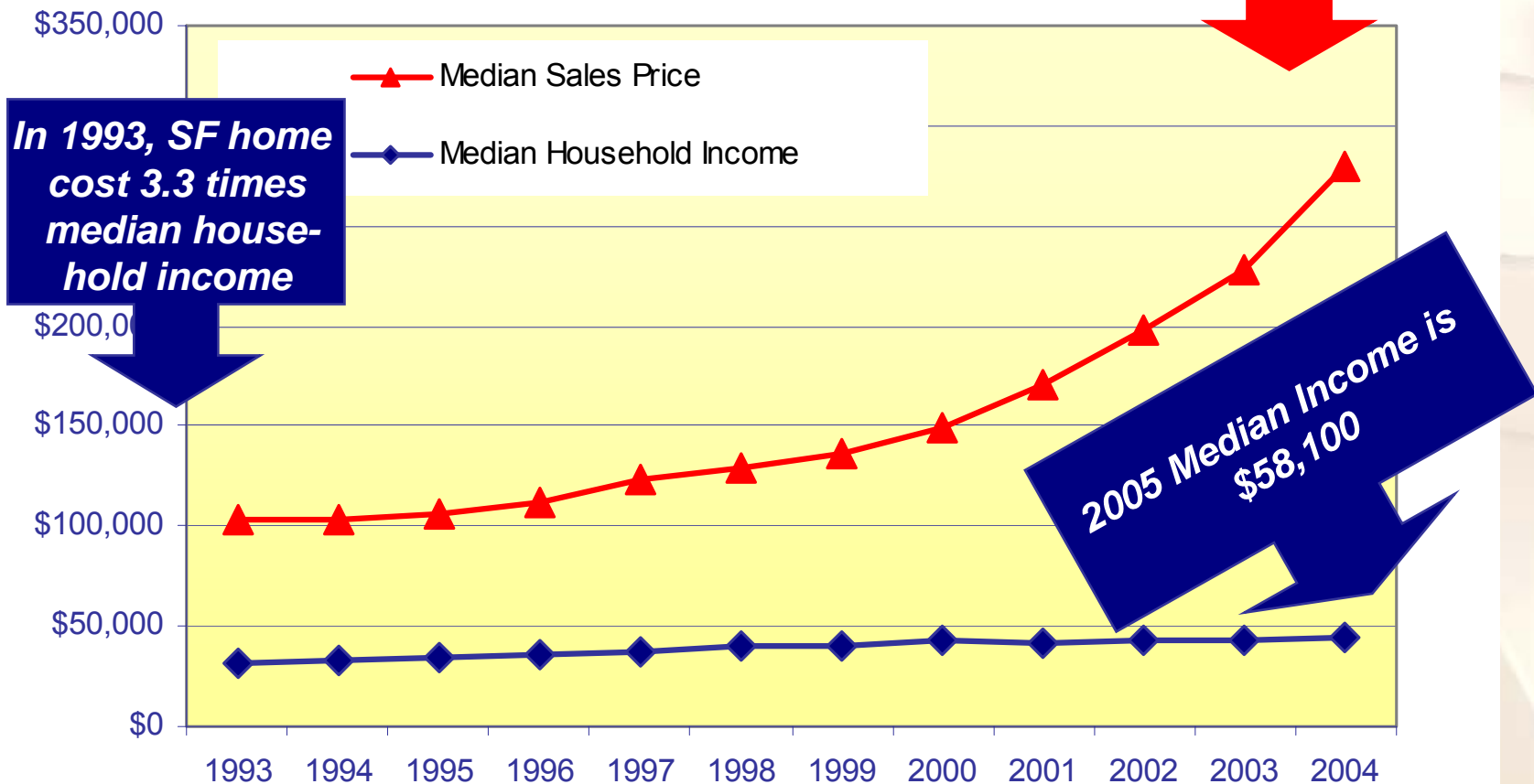
Condos Sales	# Sales	% Total	Single Family Sales	# Sales	% Total
Under \$100,000	1	0.2%	Under \$100,000	10	1.4%
\$100,000 - \$149,999	24	5.5%	\$100,000 - \$149,999	33	4.5%
\$150,000 - \$199,999	71	16.4%	\$150,000 - \$199,999	80	10.9%
\$200,000 - \$249,999	43	9.9%	\$200,000 - \$249,999	92	12.6%
\$250,000 - \$299,999	47	10.9%	\$250,000 - \$299,999	77	10.5%
\$300,000 - \$399,999	86	19.9%	\$300,000 - \$399,999	127	17.3%
\$400,000 - \$499,999	51	11.8%	\$400,000 - \$499,999	89	12.2%
\$500,000 - \$599,999	38	8.8%	\$500,000 - \$599,999	54	7.4%
\$600,000 - \$699,999	27	6.2%	\$600,000 - \$699,999	45	6.1%
\$700,000 - \$799,999	19	4.4%	\$700,000 - \$799,999	25	3.4%
\$800,000 - \$899,999	8	1.8%	\$800,000 - \$899,999	9	1.2%
\$900,000 - \$999,999	4	0.9%	\$900,000 - \$999,999	13	1.8%
\$1,000,000 - \$1,999,999	13	3.0%	\$1,000,000 - \$1,999,999	61	8.3%
\$2,000,000 - and above	1	0.2%	\$2,000,000 - and above	17	2.3%
Total	433		Total	732	
Average	\$399,271		Average	\$512,185	1,575
Median	\$339,000		Median	\$339,200	1,358

Typical Entry Level Annual Salaries-Broward County 2004 (Housing @ 6% Interest)



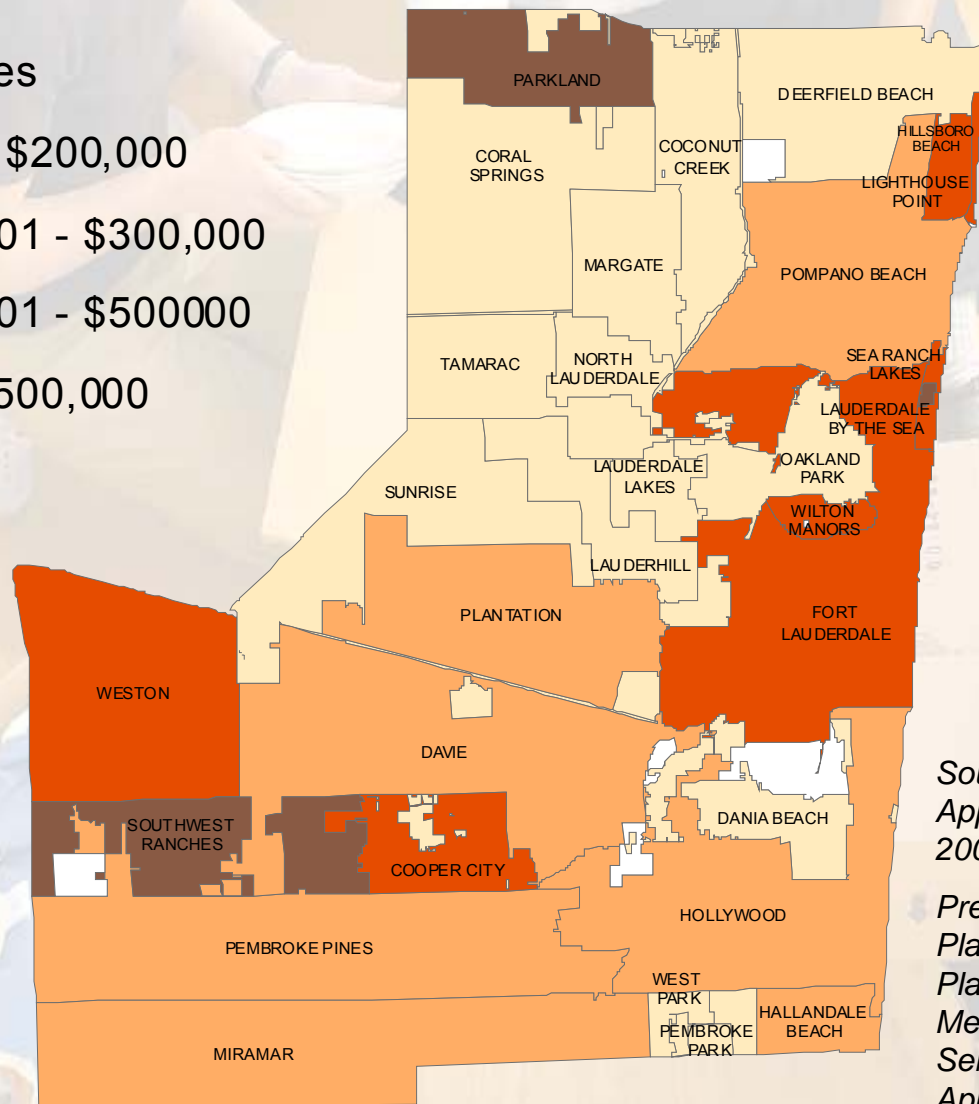
Sales Price is Outpacing Income

**In 2005, SF home
cost 6.5 times
median house-
hold income**



Single Family Homes and Condominiums

Median Sales Data by Municipality Thru Mid-May 2005



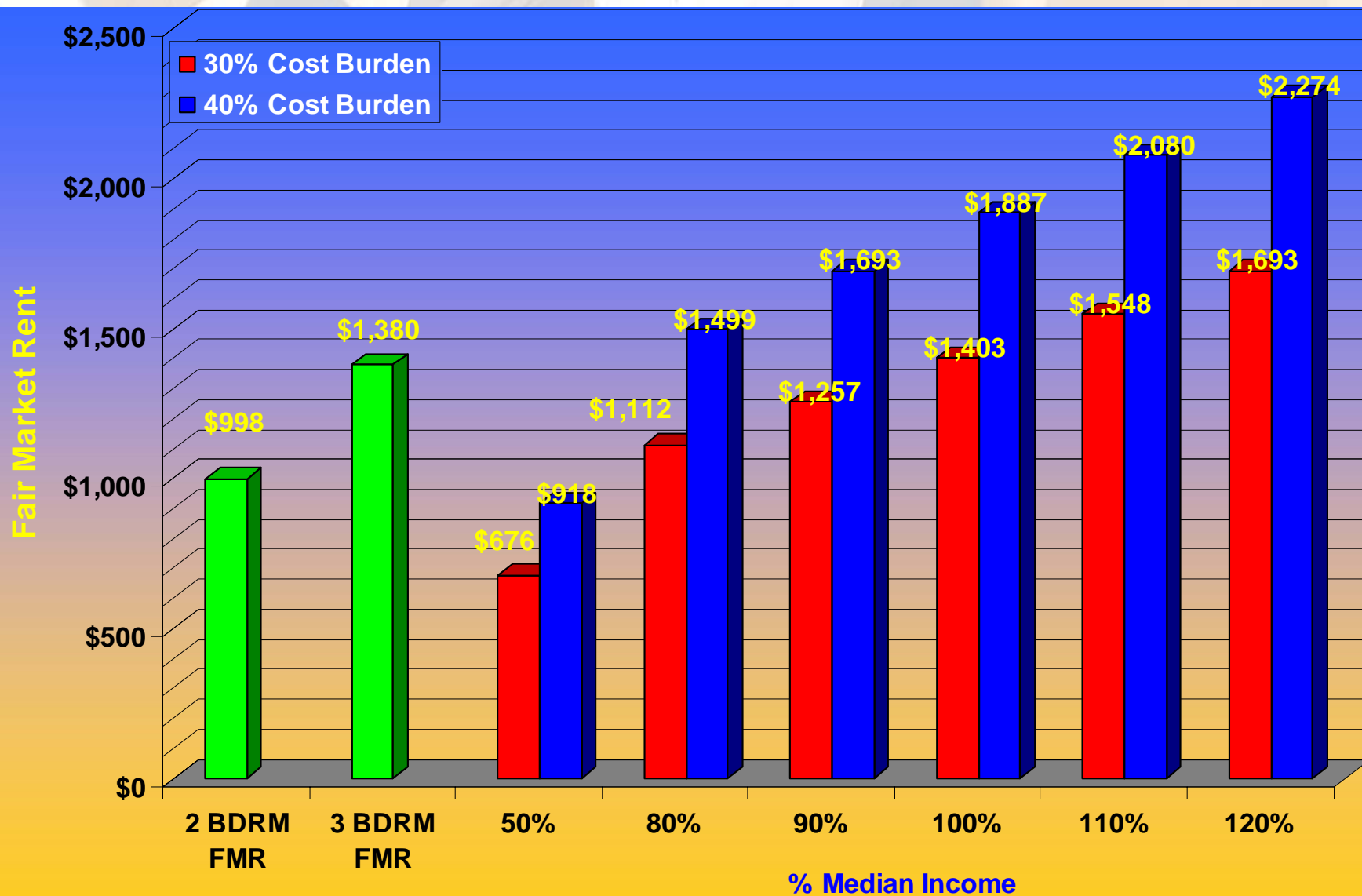
Source: Broward County Property Appraiser's Office, January to June 2005.

*Prepared by: Department of Urban Planning and Redevelopment
Planning Services Division.
Medians calculated by Planning Services using the Property Appraiser's database.*

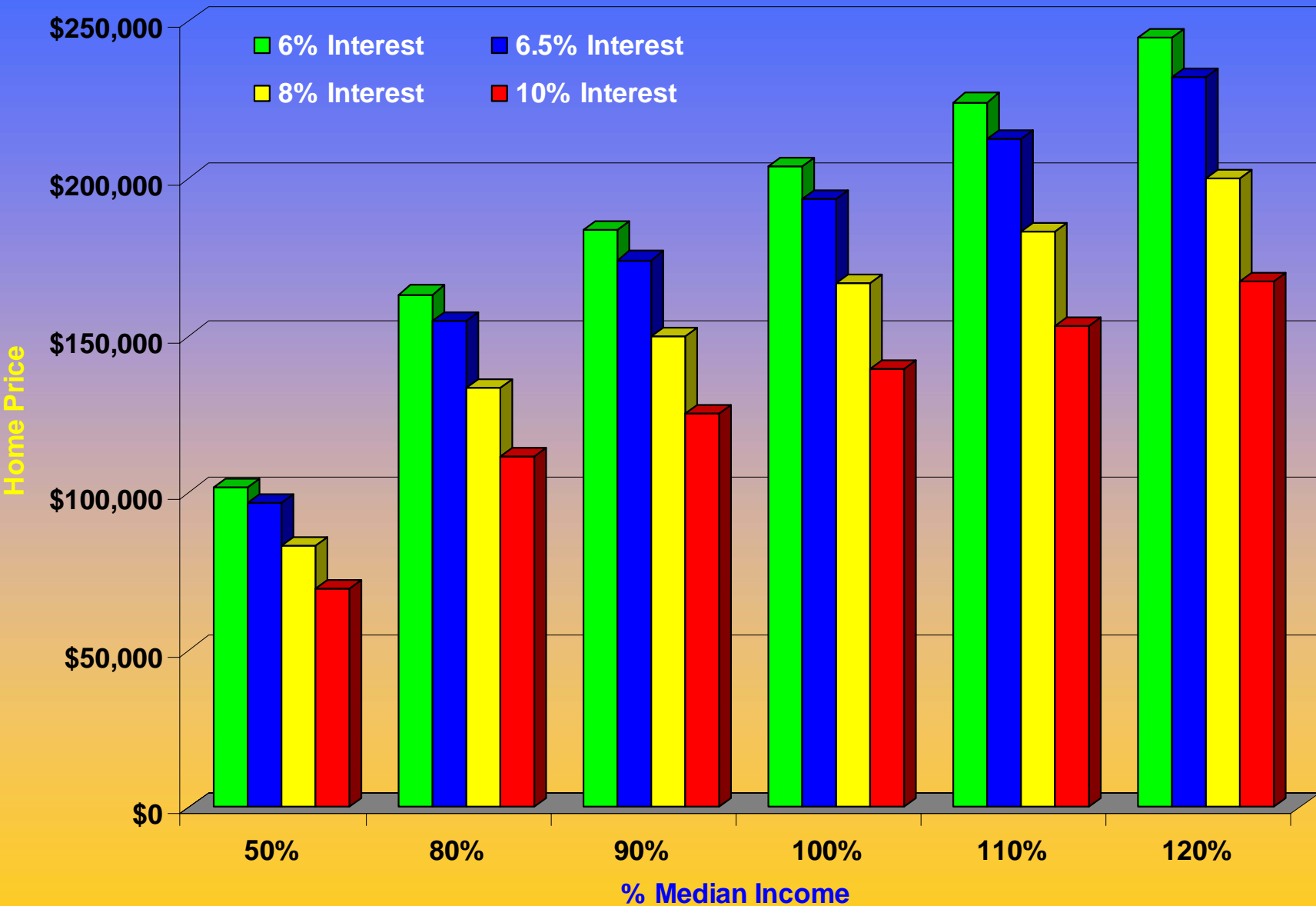
Area Rents

FMR Year	Efficiency	One- Bedroom	Two- Bedroom	Three- Bedroom	Four- Bedroom
FY 2000	\$486	\$572	\$708	\$985	\$1,159
FY 2001	\$517	\$609	\$754	\$1,049	\$1,233
FY 2002	\$526	\$619	\$767	\$1,067	\$1,254
FY 2003	\$547	\$644	\$798	\$1,110	\$1,305
FY 2004	\$567	\$668	\$827	\$1,151	\$1,353
FY 2005	\$743	\$830	\$998	\$1,380	\$1,752

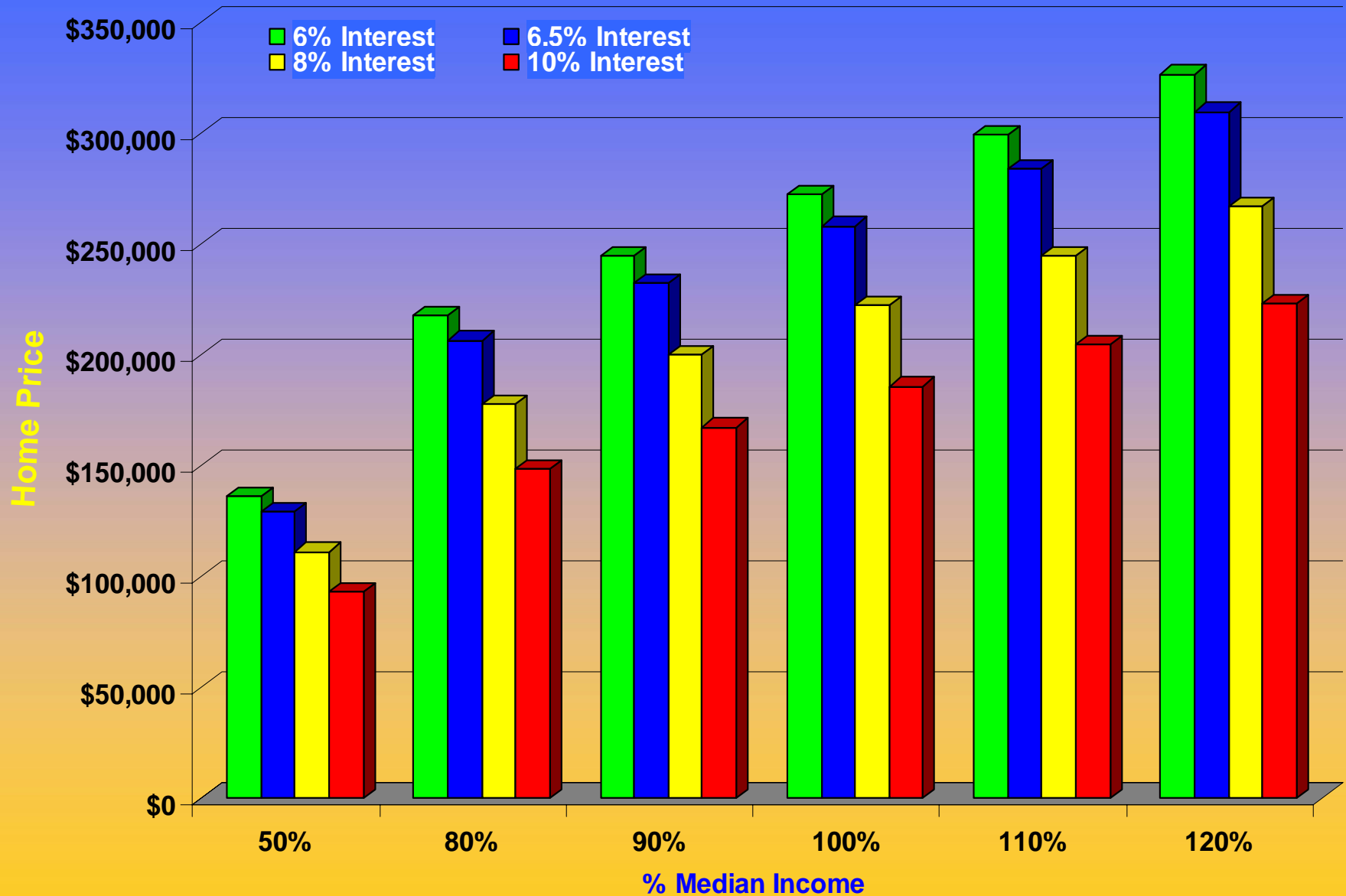
Rental Housing Affordability



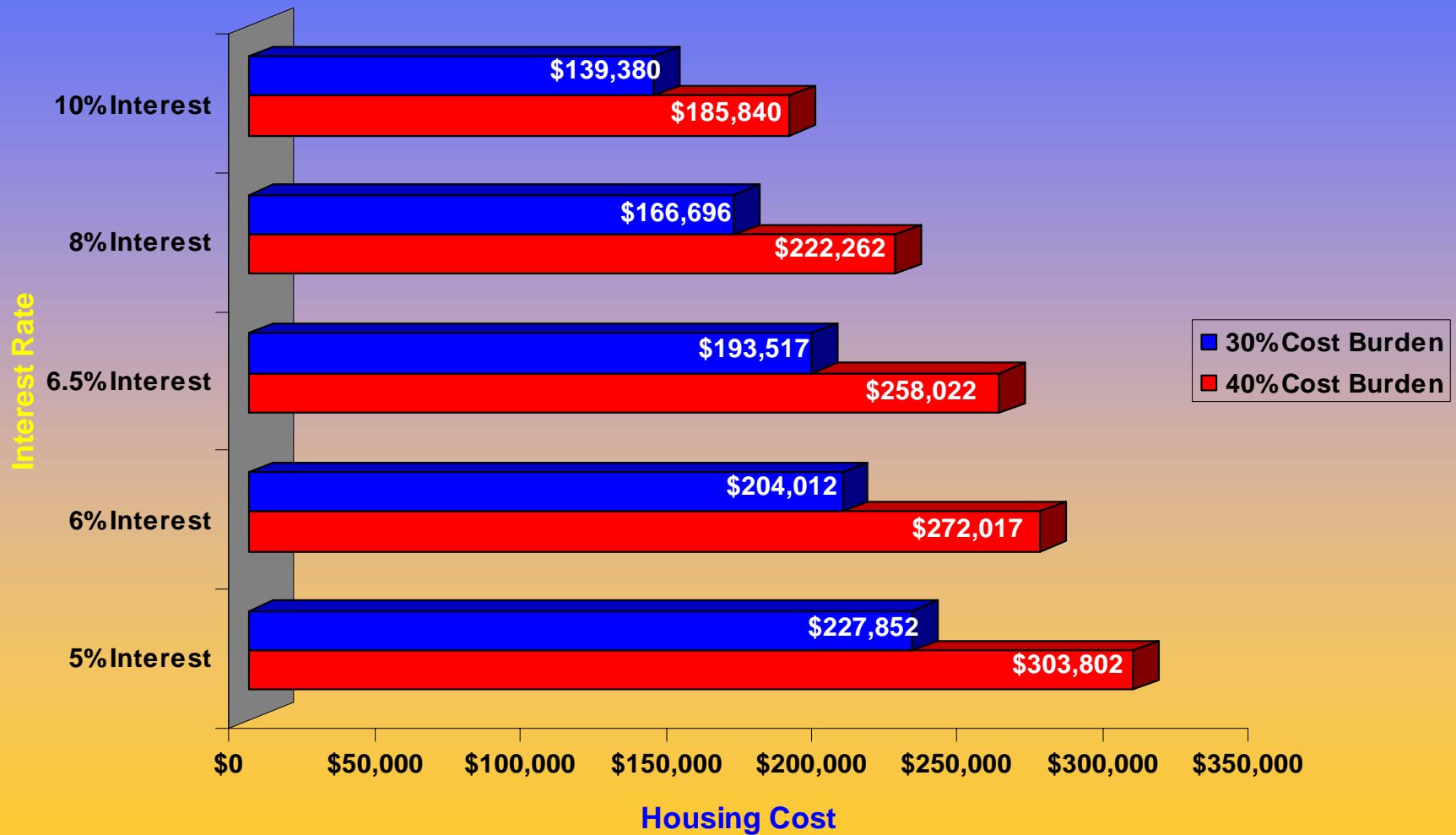
Ownership Housing Affordability (30% Burden)



Ownership Housing Affordability (40% Burden)



Impact of Interest Rates On Housing Costs (Median Household Income of \$58,100)



MPO Population Projections

	2000	2005	2010	2015	2020
Total	168,392	178,799	198,705	223,863	271,088
Net Growth		10,407	19,341	31,868	39,421
Annual		2,081	3,868	6,371	7,884

Workforce Housing Supply/Demand Gap – 2020

(salary/prices – 2005\$)

Income Category	Population Growth Alternatives			Maximum	Maximum	Maximum	Maximum
	30,000	66,000	102,000	Home Price	Home Price	Home Price	Home Price
				Affordable at 30%	Affordable at 40%	Affordable at 30%	Affordable at 40%
Interest Rate	Number of Households			5.00%	5.00%	10.00%	10.00%
50% of AMI	1,932	4,250	6,568	\$113,926	\$151,901	\$69,690	\$92,920
50% to 80% of AMI	1,674	3,682	5,691	\$182,281	\$243,042	\$111,504	\$148,672
80% to 100% of AMI	995	2,188	3,382	\$227,852	\$303,802	\$139,380	\$185,840
100% to 110% of AMI	447	983	1,520	\$250,637	\$334,183	\$153,318	\$204,424
110% to 120% of AMI	447	983	1,520	\$273,422	\$364,563	\$167,256	\$223,008
120% to 140% of AMI	755	1,661	2,567	\$318,993	\$425,323	\$195,132	\$260,176
Total (80% -120%)	1,889	4,155	6,422				

Policies and Tools for Increasing Supply of Affordable/Workforce Housing

Policies/Tools for Increasing the Supply of Workforce Housing	
Name of Policy or Tool	Description
Accessory Dwelling Units (ADU)	An additional living unit, including separate kitchen, sleeping, and bathroom facilities, attached or detached from the primary residential unit, on a single-family lot. These housing units are small, self-contained secondary apartments on the same lot as
Bridge Loans	Provide capital.
Deed Restrictions	Preserve the existing supply of workforce housing.
Density Bonuses	Allows a developer to build more units within a project than would otherwise be permitted under normal density limits. Both zoning and subdivision regulations can be modified to allow density bonuses.
Documentary Tax Fees for Workforce Housing	Allows for collection fee at deed recording
Escheatment	Provide additional resource for workforce housing.
Expedited Permitting	Expedite building process. Lower development costs.
Fair Share Allocations	To quantify each local governments responsibility for providing workforce housing to meet local needs.
Fast-track permitting for Workforce housing	Municipal re-evaluation and revision to current or enactment of new fee waivers.
Housing Fee For Workforce	Charge Workforce fee for all building permits (Winter Park)
Housing Trust Funds	Dedicate public funds for the production of workforce housing and help leverage private capita for housing development. Moneys can be used to assist with a host of income enhancements including downpayment assistance, subsidies for mortgages etc.
Payment in Lieu of Taxes/Straight Fees	Provide a dedicated source of funding. Similar to Winter Park
Public/Private Partnerships	Creates coherent housing policies; increases subsidy money and sources, reduces red tape, centralizes and expands housing information/awareness, increases stock of workforce housing.
Real estate resale transfer tax	Taxes that are assessed on real property when ownership of the property is transferred between parties. Require adoption of state legislation, with follow-up implementation by the county.
Rehabilitation Programs	Preserve and upgrade ownership of housing in lower income neighborhoods.
Rezoning Vacant Land for Residential Use	This technique involves amending the comprehensive plan and rezoning surplus industrial and/or commercial land for residential uses. It can include land zoned for office, commercial, and industrial uses, as well as underutilized agricultural land and surplus land owned by public entities

Supply

Tax Exempt Bond Financing	Low interest rate loans and the "automatic" availability of 4% tax credits.
Tax Increment Financing	Mandatory set-aside of revenue for workforce housing.
Transfer of Development Rights - TDR	These programs have been implemented in a number of cities across the country as a means of generating funds for the preservation and/or rehabilitation of low- and moderate-income housing primarily in downtown areas. TDR programs have also been used as a
Transit-oriented Design	Create workforce housing in geographic areas that will lead to lower cost of living in other areas. Establish creative loan products in conjunction with housing near transit.
Urban Infill and Redevelopment Areas	Legislative intent: Fiscally strong urban centers are beneficial to regional and state economies and resources, are a method for reduction of future urban sprawl, and should be promoted by state, regional, and local governments.
Urban Infill and Redevelopment Assistance Program	A local government may allocate grant money to special districts, including community redevelopment agencies, and nonprofit community development organizations to implement projects consistent with an adopted urban infill and redevelopment plan or plan em
Waive Fees	Waive impact and other development and review fees to lower cost of producing workforce housing
Workforce Housing Set-Aside Program (Inclusionary)	"Inclusionary" programs involve defined requirements or encouraged targets for workforce housing within described areas or specific residential development projects. This is a technique applied to new housing developments in which a certain portion of th

Policies/Tools Affecting Demand (income)

Name of Policy or Tool	Description
Downpayment Assistance/ First-time homebuyer programs	Local governments are increasingly providing downpayment assistance to first time homebuyers, a concept that received a considerable boost with the enactment of the American Dream Downpayment Assistance Act of 2003. Generally, such programs provide below
Economic Development	Target higher paying jobs to increase household incomes.
Exemption from Impact Fees	Recognizing that impact fees can have a negative effect on the construction of affordable housing, some jurisdictions in Florida have enacted measures to reduce or waive such fees for projects that include affordable housing units.
Homeowner Education Classes For Workforce Housing	Prepare buyers for homeownership and foreclosure prevention.
Housing Trust Funds	Dedicate public funds for the production of affordable housing and help leverage private capita for housing development. Moneys can be used to assist with a host of income enhancements including downpayment assistance, subsidies for mortgages etc.
In-Lieu Payments	Provide additional resource for construction of affordable housing from programs such as Inclusionary and Linkage Zoning
Lease/Purchase	Provides method of saving down payment money for renters wanting to own.
Linkage Fee for large retail/commercial employers	A mitigation or impact-type fee imposed on large, generally lower-wage paying employers based on a finding or correlation that such employers generate an area need for affordable housing. Requires revision to county and/or municipal land development regu
Municipal "subordinated second mortgage program"	This program type would provide a second mortgage funding opportunity to close the gap between the purchase price of a home and household income buying power. Municipal and/or County funding source approval and implementation required.
Portable "Save Our Home" property tax program.	Concept would permit homesteaders to transfer all or a portion of the tax savings resulting from the difference between the "Save Our Home" value and the property assessment value to a subsequent home purchase in Ft. Lauderdale or Broward County. Require

Workforce Housing Set-Aside Program

- *Links “building” workforce housing to builders/developers*
- *Requires % of built units to be “affordable” (typically 10-15%) usually up to 120% AMI for developments over specific size (10-100 unit range)*
- *Density Bonuses given to off set cost, as well as other benefits i.e. waive or reduce fees, expedite permitting, etc.*
- *Affordable Units can be smaller, with internal finishing being less than market grade. Exteriors look same as market grade.*
- *Off site development or fees “in lieu” option. “In lieu of” fees calculated to capture a portion of the profit. Calculation takes into account community’s goal to have unit actually built in development vs. having moneys that could provide a host of remedies.*
- *City Workforce Housing Trust Fund needed if “in lieu of” fees collected.*
- *Can vary through municipality (geography and conditions)*
- *Miami-Dade approved 1st reading of Workforce Housing Program, final Dec 13th 2005*
- *Broward and Palm Beach working on similar plan.*

Mandatory Inclusionary Zoning Programs

Location	Population	Trigger	Set-Aside	Income	Length	Alternatives	Incentives	Other	Success
Boston, MA -2000	589,141	10 units	10%	<80% AMI (1/2 units) <80-120% AMI (1/2 units)	Maximum legally allowed	<ul style="list-style-type: none"> ● Fee In-Lieu ● Off-Site Units: 15% 	<ul style="list-style-type: none"> ▪ None except - Increased height and FAR only in financial district 		246 affordable units created \$1.8 million funds generated -2004
Boulder, CO (1980; 1999)	99,093	1 unit	20%	<80% AMI	Permanent	<ul style="list-style-type: none"> ● Fee In-Lieu ● Land Dedication ● Dedicate Existing Units ● Off-Site Units ● Must construct 1/2 of required units 	None		56 affordable units created (2003)
Cambridge, MA (1998)	101,355	10 units	15%	<65% AMI (10-30% AMI using additional resources)	Permanent	None	<ul style="list-style-type: none"> ● 30% Density Bonus (1/2 market, 1/2 affordable) 	<ul style="list-style-type: none"> ● Incentive Zoning (1988) If non-residential developers needed special permit contribute to affordable housing trust ● Half of units go to housing choice vouchers recipients 	141 affordable units created (2004)
Chapel Hill, NC	49,368	5 units	15% (rental) 15% (owner)	<80% AMI		<ul style="list-style-type: none"> ● Fee in lieu 			
Davis, CA -1990	60,308	5 units	10%	<50% AMI (2/7 units) 50-80% AMI (5/7 units)	Permanent	<ul style="list-style-type: none"> ● If developer proves hardship ● Land Dedication 	<ul style="list-style-type: none"> ▪ 25% Density Bonus 	<ul style="list-style-type: none"> ● Through land dedication, an alternative to developing on-site, nonprofit developers have made 1,500 affordable units since 1987 	
Denver, CO -2002	554,636	30 units	10% (for-sale) 10% (rental voluntary)	<80% AMI (<3 stories) <95% AMI (4+ stories) <65% AMI (rentals)	15 yrs	<ul style="list-style-type: none"> ● Fee In-Lieu: 50% price per unbuilt unit ● Off-Site Units 	<ul style="list-style-type: none"> ● 20% Density Bonus (single family) ● 10% Density Bonus (multi-family) ● \$5,000/for-sale unit (up to 1/2 of all units) ● \$10,000/rental unit (to <50% AMI) ● Expedited review ● Reduced parking requirements 	<ul style="list-style-type: none"> ● Zoning applies to both new developments and renovations 	3,395 affordable units created (2004)
Fairfax County, VA -1990	969,749	50 units	6.25-12.5%	<50% AMI (1/3 rentals) <70% AMI (2/3 rentals) <70% AMI (Own) (25-40% AMI using additional resources)	15 yrs (own) 20 yrs (rent) 50 yrs (prior to 1998)	<ul style="list-style-type: none"> ▪ Under certain circumstances 	<ul style="list-style-type: none"> ● 20% Density Bonus 	<ul style="list-style-type: none"> ● Recertify applicable renters annually ● First-time homebuyer mortgage assistance ● 1/2 of units offered to Housing Authority 	1/3 of the units go to <40% AMI

Ft. Lauderdale Policy Considerations

- *Define Cost Burden – 30% to 40%*
- *Define Workforce 80-120% or 80-140%*
- *Support Portable “Save Our Home” initiative*
- *Allow Accessory Units*
- *Update Zoning for realistic densities; then*
 - *Allow a Bonus for workforce housing;*
- *Workforce Housing Set-Aside Program and Trust Fund*
- *Create/Expand Existing Affordable Housing Programs for Workforce Housing*
 - *Single Family and Multi-family Municipal Mortgages*
 - *First Time Home Buyer Programs*
 - *Second Mortgages*
 - *Rental Assistance*
- *Linkage fees*
- *Encourage use of City Pension Funds for city employee housing*
- *Waive or Reduce Fees*
- *Educate*
- *Support Local/State Initiatives*